

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - LIAW

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June 2, 2003

IN REPLY REFER TO

1757 N STREET, N.W. WASHINGTON, D.C. 20036 TELEPHONE: (202) 828-8500 FAX (202) 293-3457

Dear Democratic Representative:

The UAW strongly supports the "Medicare Rx Drug Benefit and Discount Act of 2003" (H.R. 1199), sponsored by Representatives Dingell and Rangel. Unlike President Bush's proposals and those expected from the Republican leadership, H.R. 1199 will provide seniors and the disabled with a meaningful and comprehensive drug benefit. If you have not already done so, we urge you to become a co-sponsor of the Dingell-Rangel Medicare Rx Drug bill.

The UAW believes it is critically important that Medicare be updated to include a prescription drug benefit. In our judgment, a meaningful drug benefit must satisfy the following principles:

- Coverage must be comprehensive, continuous and certain;
- The drug benefit must be provided through the Medicare program, not private insurance companies
- The Medicare drug benefit must be paired with aggressive cost-containment measures to restrain escalating drug prices;
- The benefit must be affordable for beneficiaries, with a low premium and a reasonable cap on beneficiary out-of-pocket costs;
- Retirees that currently have adequate coverage from their former employer should not be penalized or placed at risk of losing their benefits.

The Dingell-Rangel bill, H.R. 1199, satisfies all of these principles.

The UAW believes it is imperative that the Democratic caucus send a strong and consistent message about the Medicare drug benefit, incorporating all of the above principles. That is why we strongly urge you to cosponsor H.R. 1199.

The UAW cannot support the Medicare Rx Now Act of 2003 (H.R. 1586), sponsored by Representative Dooley. However well-intended, the combination of its key features --drug discount cards, a low-income benefit and a catastrophic cap -- simply does not go far enough. Too many middle-income seniors will not receive meaningful assistance. In particular, the Dooley bill lacks both the vital assistance to employers and the comprehensive cost-containment found in the Dingell-Rangel bill. In our judgment, the Dooley bill will not fix the current problem and instead result in new erosions in coverage. Congress should not adopt a piece-meal approach to a systemic problem.

Thus, the UAW strongly urges you to **co-sponsor and support the Dingell-Rangel Medicare Rx drug bill (H.R. 1199)** and to reject the Dooley bill (H.R. 1586) as an alternative to it.

Sincerely,

Alan Reuther

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Legislative Director

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